

STATE OF SOUTH CAROLINA

Service Agreement and Transportation Agreement
between South Carolina Electric & Gas Company and
Michelin North America, Inc.

**BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA**

COVER SHEET

DOCKET

NUMBER: 2006 - 319 - G

(Please type or print)

Submitted by: K. Chad Burgess

SC Bar Number: 69456

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NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ **Emergency Relief demanded in petition**

☐ **Request for item to be placed on Commission's Agenda expeditiously**

☐ **Other:** _____

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)			
<input type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request	
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification	
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation	
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement	
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment	
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter	
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response	
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery	
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition	
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation	
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena	
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff	
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input checked="" type="checkbox"/> Other:	
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	Amendment to Agreement	
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit		
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report		



October 24, 2008

VIA ELECTRONIC FILING

The Honorable Charles Terreni
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive (29210)
Post Office Drawer 11649
Columbia, South Carolina 29211

RE: Service Agreement and Transportation Agreement between South Carolina
Electric and Gas Company and Michelin North America, Inc.
Docket No. 2006-319-G

Dear Mr. Terreni:

Enclosed for filing only in the above-referenced docket is Amendment Two regarding the service agreement for natural gas on an interruptible basis and Amendment Two regarding the transportation agreement between South Carolina Electric & Gas Company and Michelin North America, Inc.

By copy of this letter, we are providing counsel for the South Carolina Office of Regulatory Staff with a copy of the enclosed documents for its records.

If you have any questions, please advise.

Very truly yours,

K. Chad Burgess

KCB/kms
Enclosures

cc: Shannon Bowyer Hudson, Esquire
(via U.S. First Class Mail w/enclosure)

AMENDMENT TWO TO TRANSPORTATION AGREEMENT

This Amendment Two, made and entered into this 13th day of October, 2008, by and between SOUTH CAROLINA ELECTRIC & GAS COMPANY, its successors and assigns, hereinafter called "Seller", and MICHELIN NORTH AMERICA, INC., its successors and assigns, hereinafter called "Buyer".

WITNESSETH

WHEREAS, Seller provides transportation service to Buyer under the terms of a Transportation Agreement dated November 15, 2004, and as amended on October 5, 2006, and

WHEREAS, Buyer and Seller have agreed to amend the Transportation Agreement between Buyer and Seller to increase the Daily Deliveries to 2,999.

NOW THEREFORE, in consideration of these covenants and agreements set forth to be kept and performed by the parties hereto, it is mutually agreed as follows:

- A. This Amendment Two shall become effective on October 1, 2008.
- B. Paragraph 2 DAILY DELIVERIES is deleted and replaced as follows:

2. DAILY DELIVERIES

Seller agrees to accept and transport up to 2,999 dekatherms, excluding shrinkage volumes, of natural gas on a daily basis. Buyer will notify Seller, in writing, of Buyer's intent to transport by the end of the month and will provide the estimated volumes of gas, in dekatherms, to be transported on a daily basis during the next calendar month.

Buyer has the right to change the volume to be transported during the month on a daily basis. It is Buyer's responsibility to notify producers, Seller, and connecting pipelines regarding any change in transportation volumes. Seller will accept changes in daily volumes dispatched from upstream pipelines; however, Seller reserves the right to limit or restrict the volumes accepted and transported at any time, whenever, in Seller's sole opinion, operating conditions warrant a limitation or restriction on the acceptance or delivery of transportation gas. Limitations or restrictions may be because of, but not limited to, the utilization of deliverability capacity by Seller for Seller's system supply requirements.

- C. The term of this Amendment Two shall be the same as the term of the Transportation Agreement currently in effect.

- D. No other provisions of the Transportation Agreement between Seller and Buyer are altered by this Amendment Two.

IN WITNESS WHEREOF, this Amendment Two to Transportation Agreement has been executed on the date first above written by the parties hereto, by their officers or other representatives.

MICHELIN NORTH AMERICA, INC.

Buyer

Debbie J. Townsend

By

DIRECTOR, SERVICES PURCHASING

Title

Sandra J. Boyd

Witness

29 Sep 2008

Date

SOUTH CAROLINA ELECTRIC & GAS
COMPANY

Seller

Martin K. Phalen

By Martin K. Phalen

VICE PRESIDENT - GAS OPERATIONS

Title

Timothy S. Knatt

Witness

10-13-08

Date

AMENDMENT TWO TO SERVICE AGREEMENT

This Amendment Two, made and entered into this 13th day of October, 2008, by and between SOUTH CAROLINA ELECTRIC & GAS COMPANY, its successors and assigns, hereinafter called "Seller", and MICHELIN NORTH AMERICA, INC., its successors and assigns, hereinafter called "Buyer".

WITNESSETH

WHEREAS, Buyer purchases natural gas from Seller's system supply pursuant to the terms of a Service Agreement dated November 15, 2004, and as amended on October 5, 2006, and

WHEREAS, Buyer and Seller have agreed to amend the Service Agreement between Buyer and Seller to increase the Maximum Daily Quantity to 2,999 dekatherms, as well as to increase the Hourly Deliveries to 225 dekatherms.

NOW THEREFORE, in consideration of these covenants and agreements set forth to be kept and performed by the parties hereto, it is mutually agreed as follows:

- A. This Amendment Two shall become effective on October 1, 2008.
- B. Paragraph 1 SCOPE OF DELIVERY is deleted and replaced as follows:
 - 1. SCOPE OF DELIVERY

INTERRUPTIBLE GAS, PRIORITY-OF-SERVICE CATEGORY 7

Seller acknowledges that Buyer may utilize a source of gas other than system supply gas from Seller's sources. Buyer's gas may be transported to Buyer by Seller upon execution of a Transportation Agreement between Buyer and Seller. Natural gas is provided hereunder to satisfy Buyer's requirements when Seller is not providing transportation services.

Buyer agrees to purchase from Seller, and Seller agrees to sell to Buyer, up to a Maximum Daily Quantity of 2,999 dekatherms of natural gas per day on an interruptible basis, to be purchased and utilized by Buyer when and to the extent Seller has gas available, tenders such gas to Buyer and Buyer has a requirement for fuel. Seller makes no guarantee of deliveries hereunder. Interruptible gas will be offered when, and to the extent, available in accordance with the operating procedures set forth in Article IV, Paragraph 4, of the General Terms and Conditions to Industrial Service Agreements hereto attached. Any gas taken by Buyer, including gas utilized as fuel for pilots, after any order of Seller calling for complete curtailment of Buyer's interruptible load, or any gas taken by Buyer

in excess of a partial curtailment order, shall be Unauthorized Overrun Gas and shall subject Buyer to the penalty rate per dekatherm set forth in Article IV, Paragraph 6, of the General Terms and Conditions to Industrial Service Agreements hereto attached. Deliveries of Interruptible Gas under this paragraph of the Service Agreement shall be utilized by Buyer only in Priority-of-Service Category 7 as set forth in Article III, Paragraph 1, of the General Terms and Conditions hereto attached.

C. Paragraph 2 HOURLY DELIVERIES is deleted and replaced as follows:

2. HOURLY DELIVERIES

Seller shall not be obligated to make hourly deliveries of gas pursuant to Paragraph 1 above at an hourly rate exceeding 225 dekatherms per hour. Seller reserves the right to regulate the flow of gas delivered hereunder by means of automatic or manually operated flow control valves so as to limit the hourly flow of gas within the specified quantity.

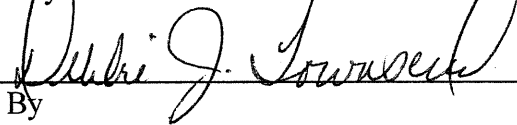
D. The term of this Amendment Two shall be the same as the term of the Service Agreement currently in effect.

E. No other provisions of the Service Agreement between Seller and Buyer are altered by this Amendment Two.

IN WITNESS WHEREOF, this Amendment Two to Service Agreement has been executed on the date first above written by the parties hereto, by their officers or other representatives.

MICHELIN NORTH AMERICA, INC.

Buyer



By

DIRECTOR, SERVICES PURCHASING

Title



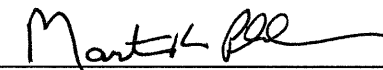
Witness

29 Sep, 2008

Date

SOUTH CAROLINA ELECTRIC & GAS
COMPANY

Seller



By Martin K. Phalen

VICE PRESIDENT - GAS OPERATIONS

Title



Witness

10-21-08

Date